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UNCLAS SECTION 01 OF 02 KINGSTON 002682

SIPDIS

SENSITIVE

STATE FOR WHA/CAR (BENT) AND WHA/PDA
STATE ALSO FOR INL/LP (BOZZOLO), EB/TPP, AND EB/IFD
STATE ALSO DOE CA/OCS/ACS/WHA (RUTH BRANSON)
STATE PASS OPIC FOR TABERNAKI
CUSTOMS MIAMI FOR LOWEN AND MAHABIR
SANTO DOMINGO FOR FCS, FAS, AND LEGATT
STATE PASS USTR FOR A. GASH-DURKIN
DOJ FOR OPDAT/R LIPMAN
TREASURY FOR LAMONICA

E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [EFIN](#) [ECON](#) [EINV](#) [PHUM](#) [ELAB](#) [KHIV](#) [JM](#)

SUBJECT: KINGSTON POL/ECON ROUNDUP: NOVEMBER 26 - DECEMBER 9, 2005

Ref: A. KINGSTON 02680

[1](#)1. This week's topics:

- JLP Holds Annual Conference
- Poverty Cut in Half
- GOJ Increases Social Benefits
- Brazilians to Invest in Sugar Industry
- Chinese Government to Finance Mega Projects
- Tourist Arrivals to Surge
- Police Officers on Trial
- Crime Statistics

JLP Holds Annual Conference

[1](#)2. The opposition Jamaica Labour Party (JLP) held its annual conference in Kingston December 3-4, with leader Bruce Golding urging delegates to be election-ready by March [1](#)2006. Golding said 377,000 voters remain unverified and is concerned about the new voters' list due by the end of December, asserting it could be reduced by 250,000 from its current 1.4 million names. Former JLP Prime Minister Edward Seaga was reportedly absent from the conference. Also absent from a portion of the conference, was controversial Member of Parliament Olivia "Babsy" Grange.

Poverty Cut in Half

[1](#)3. Data released by the Planning Institute of Jamaica and the Statistical Institute of Jamaica show that poverty has declined by 50 percent over the last 13 years. The rate of poverty moved from a high of 35.2 percent in 1992 to 16.9 percent in 2004. This dramatic reduction in poverty has been attributed to GOJ expenditures of JMD 42 billion (USD 656 million) on social programs during the period. The mushrooming of the informal sector, the activities of the National Poverty Eradication Program and other GOJ policies also contributed to the contraction. While not discussed in the report, the robust growth in remittances from Jamaicans overseas was likely a factor in the reduction of poverty.

GOJ Increases Social Benefits

[1](#)4. Jamaican pensioners are expected to realize a significant increase in benefits effective July 1, 2005 (note: the pension increase was announced on December 5, 2005 but will be granted retroactively). The annual cost of living adjustment will range from a high of JMD 14,400 (USD 219) per annum for pensioners at the lowest end to JMD 6,000 (USD 94) per annum for those receiving over JMD 75,000 (USD 1,172) a month. The increase, expected to benefit 17,000 pensioners at a cost of JMD 250 million (USD 3.9 million), will be extended to the spouse and dependents of deceased officers. The GOJ is also set to increase the National Minimum Wage in January 2006. The National Minimum Wage of JMD 2,400 (USD 38) will be raised between ten and 25 percent.

Brazilians to Invest in Sugar Industry

[1](#)5. The medium-sized Brazilian company Aracatu, with interest in sugar, ethanol and alcohol, is currently negotiating with GOJ officials and sugar industry representatives to acquire a 70 percent interest in the

industry through the purchase of the state-owned Sugar Company of Jamaica. Aracatua's strategic objectives are centered on diversifying the product mix to include raw sugar, ethanol and alcohol. Jamaica's sugar industry, which benefits consistently from substantial government financing, will collapse under the 39 percent cut in the EU reference price without increased efficiency and a reduction in production costs from the current USD 0.25 per pound to USD 0.05 per pound.

----- Chinese Government to Finance Mega Projects -----

16. The GOJ is set to receive funding to the tune of USD 42 million from the Chinese government to build a convention center in Montego Bay (REF A). The Complant Group, which is currently building a World Cup 2007 cricket stadium, is slated to build the 75,00 square-foot convention center. The GOJ turned to the Chinese, who are already providing USD 30 million for the cricket stadium, after it failed to secure funding from the Mexican bank, BANCOMEX. By building the convention center, Jamaica hopes to become a major player in the meetings and conventions sector of the tourism market.

----- Tourist Arrivals to Surge -----

17. Jamaican hoteliers are anticipating a surge in tourist arrivals to the island following the hurricane damage to Cancun, Mexico. So buoyed are hoteliers about the prospects that hotel mogul Gordon "Butch" Stewart of the Sandals Group has predicted the best ever winter season for Jamaica. Recent figures from the Jamaica Tourist Board show that arrivals increased by 24 percent in November. Figures show a record number of tourists from the southern U.S, likely due to the entry of Spirit Airlines into Jamaica.

----- Police Officers on Trial -----

18. The high profile trial of Senior Superintendent of Police Reneto Adams and five other members of the disbanded Crime Management Unit is about to come to a close. The officers are charged with the extra-judicial killing of four civilians in Crawlle, a deep rural Clarendon community on May 7, 2003. Lawyers will begin to make closing submissions today and Chief Justice Lensley Wolfe has requested that this trial be completed by December 16. The police allege that they went to Crawlle in search for Bashington "Chen Chen" Douglas, who was wanted for a number of crimes. According to the police, individuals from a house in Crawlle fired on them and when the fire was returned four people - Angella Richards, Lewina Thompson, Kirk Gordon and Matthew Jones - were found dead in the house.

----- Crime Statistics -----

19. Based on statistics provided by the Jamaica Constabulary Force (JCF), the country experienced 1,522 murders between January 1 and December 4, 2005. The previous record for murders reported in Jamaica was 1,469 in 2004. Post's Law Enforcement Development Advisor stated that the JCF attributes most of the homicides to gang battles over turf and fighting over scarce resources.